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Foreign CROPS AND MARKETS



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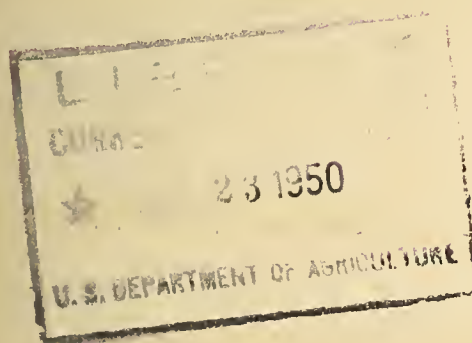
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FOR RELEASE

MONDAY

JULY 17, 1950



UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON 25, D. C.

L A T E N E W S

Guatemala's 1950-51 cotton crop is estimated at 5,200 bales (of 500 pounds gross) from about 8,500 acres, compared with 4,800 bales from 8,000 acres the year before. A legislative program proposed recently by the Director of Agriculture would make cotton a public utility with the Government controlling production, ginning and marketing and all growers holding membership in a cotton cooperative. The production goal within 3 or 4 years is the equivalent of local mill requirements, currently around 13,000 bales.

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The 1950-51 cotton crop in Nicaragua is expected to exceed last year's record crop of 20,000 bales (of 500 pounds each). Local mills require only 6,000 bales and about 6,000 bales of last year's surplus has not been sold for export. Recent asking prices were equivalent to about 28 cents a pound f.o.b. Corinto for basis grade and staple. Bids averaged around 26 cents.

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FOREIGN CROPS AND MARKETS

Published weekly to inform producers, processors, distributors and consumers on farm products of current developments abroad in the crop and livestock industries, foreign trends in prices and consumption of farm products, and world agricultural trade. Circulation of this periodical is free to those needing the information it contains in farming, business and professional operations. Issued by the Office of Foreign Agricultural Relations of the U.S. Department of Agriculture, Washington 25, D.C.

U.S. FOREIGN TRADE IN AGRICULTURAL PRODUCTS DURING MAY 1950 1/

United States exports of agricultural products during May, the eleventh month of the 1949-50 fiscal year, were valued at \$233,601,000, a reduction of \$814,000 compared with April exports and of \$109,825,000 compared with exports during the corresponding month a year ago. The nation's exports of all commodities, both agricultural and nonagricultural, were valued at \$813,242,000 during May. Agricultural exports accounted for approximately 29 percent of the total.

Cotton continued to hold first place in value of agricultural exports during the month, the total amounting to \$89,971,000. This represents an increase of 15 percent compared with the value of the April exports and of 12 percent compared with exports during May last year. Wheat and wheat flour exports, valued at \$36,950,000, continued in second position, although at a greatly reduced level compared with those during May last year. Leaf tobacco was the third most important agricultural export during the month under review, the total amounting to \$14,486,000. This represents an increase of 27 percent compared with the value of the May 1949 exports.

On a quantitative basis, the outstanding features of the May agricultural exports, compared with those for the same month a year ago, were the large increases in exports of dried eggs, dried prunes, white potatoes, raisins and currants, fresh pears, bright flue-cured tobacco and soybeans. On the other hand, the figures reveal large or substantial quantitative reductions for exports of dairy products, shelled peanuts, grain sorghums, milled rice, dried peas, wheat and flour, barley, field and garden seeds, horse meat, lard, soybean oil, soybean flour and fresh grapefruit.

United States imports of agricultural products during May 1950 were valued at \$278,576,000 compared with \$262,829,000 in the preceding month and with \$215,813,000 in May last year. The nation's imports of all commodities, both agricultural and nonagricultural, were valued at \$654,539,000 during the month under review. Agricultural products accounted for almost 43 percent of the total. Heading the list and far in the lead of any other commodity were coffee, sugar, wool, rubber and cocoa or cacao beans. In May 1950, the United States was a net importer of agricultural products to the extent of \$44,975,000 while in May a year ago it was a net exporter to the extent of \$127,613,000.

On a quantitative basis, the outstanding features revealed by the May import figures, compared with May 1949, were the large or substantial increases in imports of casein and lactarine, wool, palm oil, tung oil, jute and jute butts, canned beef, hops, olives in brine, apples and dutiable cattle. On the other hand, imports of a number of items show large or substantial quantitative reductions, especially flaxseed, tomatoes, brazil nuts, and almonds.

1/ The publication, U.S. Foreign Trade in Agricultural Products, containing fuller trade data than this summary presents, is published regularly and distributed upon request by the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D. C.

UNITED STATES: Summary of exports, domestic, of selected
agricultural products, during May 1949 and 1950

Commodity exported	Unit	May			
		Quantity		Value	
		1949	1950	1949	1950
				1,000	1,000
		Thousands	Thousands	dollars	dollars
ANIMAL PRODUCTS:					
Butter	Lb.	302	318	202	206
Cheese	Lb.	22,575	365	7,803	160
Milk, condensed	Lb.	7,657	2,734	1,619	618
Milk, whole, dried	Lb.	10,014	4,300	5,036	2,087
Nonfat dry milk solids	Lb.	16,226	11,341	2,359	1,583
Milk, evaporated	Lb.	24,517	18,965	3,159	2,358
Eggs, dried	Lb.	32	17,096	33	2,544
Beef and veal, total <u>1/</u>	Lb.	1,302	1,558	462	478
Pork, total <u>1/</u>	Lb.	5,855	4,812	1,559	1,311
Horse meat	Lb.	2,423	1,053	379	101
Lard (including neutral)	Lb.	63,282	31,629	8,719	3,857
Tallow, edible and inedible	Lb.	45,984	30,634	4,019	2,187
VEGETABLE PRODUCTS:					
Cotton, unmd, excl. linters (480 lb.)	Bale	484	558	80,213	89,971
Apples, fresh	Lb.	2,697	2,910	234	180
Grapefruit, fresh	Lb.	11,553	6,888	582	354
Oranges, fresh	Lb.	40,332	43,039	2,444	2,053
Pears, fresh	Lb.	102	547	14	45
Prunes, dried	Lb.	1,663	17,846	238	1,052
Raisins and currants	Lb.	1,925	10,694	213	662
Fruits, canned	Lb.	6,131	6,041	933	852
Fruit juices	Gal.	1,474	1,835	1,279	1,921
Barley, grain (48 lb.)	Bu.	1,344	519	1,795	680
Barley malt (34 lb.)	Bu.	292	217	702	530
Corn, grain (56 lb.)	Bu.	8,170	7,367	12,910	10,955
Grain sorghums (56 lb.)	Bu.	5,313	657	8,157	1,085
Rice, milled, brown, etc.	Lb.	106,051	20,822	8,363	1,556
Wheat, grain (60 lb.)	Bu.	40,617	15,432	103,114	31,359
Flour, wholly of U.S. wheat (100 lb.)	Bag	2,274	960	11,190	3,760
Flour, other (100 lb.)	Bag	349	349	2,069	1,831
Hops	Lb.	815	768	663	542
Peanuts, shelled	Lb.	17,740	1,785	1,920	166
Soybeans (except canned)	Lb.	81,935	137,288	3,642	6,426
Soybean oil, crude and refined	Lb.	75,795	40,910	11,143	5,502
Soybean flour	Lb.	372	221	21	14
Seeds, field and garden	Lb.	2,605	1,035	578	208
Tobacco, bright flue-cured	Lb.	7,727	28,920	4,371	10,991
Tobacco, leaf, other	Lb.	11,804	7,799	7,068	3,495
Beans, dried	Lb.	10,153	7,397	975	544
Peas, dried	Lb.	9,456	2,034	620	117
Potatoes, white	Lb.	17,164	122,649	531	1,000
Vegetables, canned	Lb.	4,760	4,759	797	643
Total above				302,128	195,984
Food exported for relief, etc.				1,394	3,219
Other agricultural products				39,904	34,398
Total agricultural				343,426	233,601
Total all commodities				1,082,255	813,242

1/ Product weight. Compiled from official records, Bureau of the Census.

UNITED STATES: Summary of imports for consumption
of selected agricultural products during May 1949 and 1950

Commodity imported SUPPLEMENTARY	Unit:	Quantity		Value	
		1949	1950	1949	1950
				1,000	1,000
ANIMALS AND ANIMAL PRODUCTS:		Thousands:	Thousands:	dollars:	dollars
Cattle, dutiable	No.:	24	38	2,964	6,020
Cattle, free (for breeding)	No.:	3	2	486	669
Casein and lactarene	Lb.:	1,003	5,103	164	767
Cheese	Lb.:	2,402	2,203	1,284	996
Hides and skins	Lb.:	14,600	20,481	6,786	8,171
Beef canned, incl. corned	Lb.:	4,026	10,622	1,280	3,199
Wool, unmf'd, excl. free, etc.	Lb.:	11,062	34,937	6,894	22,211
VEGETABLE PRODUCTS:					
Cotton, unmf'd., excl. lintens (480 lb.)	Bale:	3	3	315	242
Jute and jute butts, unmf'd. (2,240 lb.)	Ton :	3	9	1,350	2,557
Apples, green or ripe (50 lb.)	Bu.:	79	166	261	438
Olives in brine	Gal.:	573	1,212	1,367	1,915
Pineapples, prep. or preserved	Lb.:	6,151	8,995	725	1,093
Barley malt	Lb.:	8,212	5,434	401	292
Hops	Lb.:	516	1,101	577	1,272
Almonds, shelled	Lb.:	201	87	76	32
Brazil or cream nuts, not shelled ...	Lb.:	2,065	112	194	11
Cashew nuts	Lb.:	4,031	3,436	1,486	1,051
Coconut meat, shredded, etc.	Lb.:	13,789	13,549	2,291	2,150
Castor beans	Lb.:	12,565	13,227	610	714
Copra	Lb.:	65,311	63,953	4,866	5,661
Flaxseed (56 lb.)	Bu.:	10	0	52	0
Coconut oil	Lb.:	7,852	12,260	1,042	1,672
Palm oil	Lb.:	2,056	9,813	253	1,025
Tung oil	Lb.:	1,873	8,142	322	1,774
Sugar, excl. beet (2,000 lb.)	Ton:	408	364	39,731	37,068
Molasses, unfit for human consumption	Gal.:	36,781	37,154	1,517	1,954
Tobacco, cigarette leaf	Lb.:	5,733	6,190	4,130	4,478
Tobacco, other leaf	Lb.:	1,239	1,379	2,064	2,402
Potatoes, white	Lb.:	46,250	57,334	1,081	1,074
Tomatoes, natural state	Lb.:	13,819	499	1,031	35
COMPLEMENTARY					
Wool, unmf'd., free in bond	Lb.:	11,056	19,941	3,734	8,844
VEGETABLE PRODUCTS:					
Bananas	Bunch	5,012	5,176	4,415	5,670
Coffee (ex. into Puerto Rico)	Lb.:	194,040	138,562	48,683	58,679
Cocoa or cacao beans and shells	Lb.:	55,778	73,172	9,632	16,361
Tea	Lb.:	7,465	10,131	3,456	4,861
Spices (complementary)	Lb.:	5,546	5,457	3,108	3,871
Sisal and henequen (2,240 lb.)	Ton:	18	12	5,952	2,896
Rubber, crude	Lb.:	119,692	134,818	19,933	23,786
Total above				184,513	235,911
Other agricultural products				31,300	42,665
Total agricultural products				215,813	278,576
Total all commodities				533,640	654,539

Compiled from official records, Bureau of the Census.

WORLD 1950 FILBERT FORECAST SLIGHTLY ABOVE AVERAGE 1/

The 1950 preliminary forecast for filbert production in Italy, Spain, Turkey, and the United States, the leading commercial producing countries, is 114,360 short tons, unshelled basis, compared with 159,340 tons (revised) in 1949 and 102,340 tons in 1948. The forecast exceeds the 10-year (1939-48) average of 105,770 tons by 8 percent and the 5-year (1944-48) average of 113,910 tons by less than 1 percent. The forecast for Turkey is the smallest since 1945 while that for Italy is the second largest in the past quarter of a century. The crop in Spain according to present indications will be one of the largest in recent years. The United States crop will be considerably smaller than last year. Smaller crops were to be expected in Turkey and the United States in view of the all-time high production of last season in those countries.

Growing conditions so far this season in Italy and Spain have been nearly ideal. In Turkey, however, extreme cold weather and an abnormally cold, wet spring have caused some damage, but in view of the record crop of 1949 a smaller harvest had been anticipated this year. As sometimes happens under such conditions, it is possible that the Turkish crop has been underestimated. In the United States the frosts of the past winter and early spring greatly reduced the set of the fruit.

As the 1949-50 marketing season draws to a close, it is estimated about 11,000 short tons, unshelled basis, remained unsold in the Mediterranean Basin of which Turkey is reported to have 4,200 tons, Italy 3,800 tons, and Spain 3,000 tons. This may be compared with 1,600 tons at the close of the previous season of which Italy had 1,100 tons and Spain 500 tons. The present estimate of remaining stocks from the 1949 harvest represents only 11 percent of the harvest in the Mediterranean Basin. The Trade in the 3 Mediterranean Basin countries anticipate a complete sell-out before new-crop nuts become available in September. If this should occur it will be the first time in the postwar period. There is still an unknown tonnage of 1949 harvest filberts available in the United States.

The 1949-50 export season in the Mediterranean Basin countries was a good one as to tonnage, but it was not entirely so as to prices received. Official export statistics are not yet available covering the season but from estimates based on some official statistics and Trade information it appears some 117,000 short tons, unshelled basis, or about 79 percent of the 1949 harvest were exported. Turkey exported the almost phenomenal total of 92,000 short tons or 79 percent of the total. Italy and Spain also did very well although quite naturally on a much smaller scale. The United Kingdom appears to have been the best market for Mediterranean filberts during the season. The removal of

1/ This preliminary forecast of filbert production is based in part upon a first-hand study conducted by W.R.Schreiber, agricultural economist, under the Research and Marketing Act program, U.S. Department of Agriculture. It also is based in part upon U.S. Foreign Service reports. A more extensive statement is obtainable from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D.C.

FILBERTS, unshelled: Estimated production in specified countries,
1950 with comparisons

(Foreign production rounded to nearest 100 short tons)

Year	Italy	Spain	Turkey	Mediterranean Basin total	United States unshelled	World total
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
<u>Average</u>						
1939-48---	20,800	22,600	56,400	99,800	5,970	105,770
1944-48---	24,200	24,300	58,300	106,800	7,110	113,910
<u>Annual</u>						
1944-----	21,300	38,000	52,800	112,100	6,520	118,620
1945-----	15,700	18,000	33,000	66,700	5,320	72,020
1946-----	47,800	18,200	90,000	156,000	8,450	164,450
1947-----	9,900	33,000	60,500	103,400	8,800	112,200
1948-----	26,400	14,500	55,000	95,900	6,440	102,340
1949 <u>1</u> /---:2/	32,700	16,500	99,000	148,200	11,140	159,340
1950 <u>1</u> /---:2/	41,600	27,500	40,000	109,100	5,260	114,360

1/ Preliminary.

2/ Revised.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of U. S. foreign service officers, results of office research and other information.

UNITED STATES: Imports, for consumption, of shelled and unshelled
filberts

(Crop year, September-August)

Year	Italy	Spain	Turkey	Other countries	Total
	Short tons	Short tons	Short tons	Short tons	Short tons
SHELLED					
Average:					
1939-40/1948-49-----	69	191	1,966	27	2,253
1944-45/1948-49-----	79	240	3,632	45	3,996
Annual:					
1943-44-----	0	559	17	0	576
1944-45-----	0	1,191	2,989	0	4,180
1945-46-----	178	6	4,231	180	4,595
1946-47-----	133	1	4,921	5	5,060
1947-48-----	39	0	2,398	11	2,448
1948-49-----	43	0	3,623	30	3,696
1949-50 1/-----	9	24	2,430	35	2,498
UNSHELLED					
Average:					
1939-40/1948-49-----	280	31	1	0	312
1944-45/1948-49-----	402	61	1	0	464
Annual:					
1943-44-----	0	6	0	0	6
1944-45-----	0	16	0	0	16
1945-46-----	361	220	8	0	589
1946-47-----	1,600	69	0	0	1,669
1947-48-----	3	0	0	0	3
1948-49-----	44	0	0	0	44
1949-50 1/-----	15	0	0	0	15

1/ 8 months, September through April.

Compiled from official records of the Bureau of the Census.

UNITED STATES: Exports of filberts for consumption 1/

(Crop year, September-August)

Year	Mexico	Cuba	Argentina	Canada	Other	Total
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Average:						
1944-45/1948-49-	9	133	12	69	48	271
Annual:						
1943-44-----	17	84	0	101	15	217
1944-45-----	2	101	0	120	35	258
1945-46-----	3	97	0	21	28	149
1946-47-----	12	158	52	45	23	290
1947-48-----	28	145	6	155	132	466
1948-49-----	1	162	0	4	27	194
1949-50 2/-----	0	188	0	5	39	232

1/ Unclassified as to shelled and unshelled. Included in "other" nuts before 1943. 2/ 8 months, September through April.

Compiled from official records of the Bureau of the Census.

all import restrictions by the British Government gave a late season boost to the Mediterranean filbert markets. Germany purchased substantial tonnages, especially from Turkey. It was Germany's largest filbert import season in the postwar period. Other important buyers of filberts during the season to date were France, Sweden, Switzerland and the Low countries. The United States although importing 2,498 tons of shelled filberts to the end of April as compared with 2,761 tons for the same period a year ago, was not a direct buyer since a substantial tonnage is reported to have been purchased through a third country.

Although it is a little too early to evaluate the prospects for the 1950-51 export season, all indications point to a good one as far as the Mediterranean Basin countries are concerned, barring unexpected events. The principal factors affecting the prospects are the removal of all import restrictions on tree-nuts by the United Kingdom, the revival of at least a substantial German interest in nuts and smaller United States crop. The Italian and Spanish exports should be favored by the small Turkish crop and probable higher prices this season in Turkey. The possible removal of all control on almonds and filberts in Spain would put that country in a very favored position regarding this year's international trade in nuts. The complete freeing of these nuts in Spain could also have a decided effect on countervailing duties assessed by the United States and put Spain in the competitive field for United States purchases of shelled filberts..

On the darker side is the present disturbed economic and political situation over most of the world. The situation could easily develop into one in which purchasing countries would impose import restrictions on less essential items such as nuts and similar products and concentrate on the more basic products. The Swiss are not expected to be as actively interested in filberts as they were during 1949-50. It seems likely that the Turkish Government will prevent the 3-way exports which accounted for much of the United States imports during 1949-50. This would have little effect on the total United States imports but probably would result in slightly higher prices in the United States wholesale market.

WORLD TRADE IN RAW WOOL DECLINES IN 1949 1/

World trade in raw wool, estimated at approximately 2.4 billion pounds in 1949, was down slightly from 1948 and is approaching the pre-war 1935-39 level, according to information available to the Office of Foreign Agricultural Relations.

1/ A more extensive statement on international trade in wool is obtainable from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture Washington 25, D.C. For information on World Wool production by countries, see Foreign Agriculture Circular FW-3-50 entitled "World Wool Production in 1949 and Preliminary 1949", published June 19, 1950.

WOOL: International trade, average 1935-39, annual 1946-1949

Continent and country	Average 1935-39		1946		1947		1948		1949	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
NORTH AMERICA										
Canada.....	6,241	19,337	4,481	53,169	3,131	39,339	3,070	42,399	3,038	31,986
Mexico.....	2/	2,041	5	9,716	2/	9,140	1,894	3,267	3,540	7,197
United States.....	325	224,498	13,389	1,246,727	12,720	644,000	1,071	761,406	15,556	440,924
Total.....	6,566	245,876	17,875	1,309,612	15,851	692,479	6,035	807,072	22,234	480,107
EUROPE										
Austria.....	183: 3/4	20,900	5/	5/	733: 1/	11,969	360	12,175	977	16,933
Belgium.....	98,316	226,345	16,789	267,683	69,548	260,286	51,039	164,708	33,980	187,296
Bulgaria.....	4	1,693	5/	5/	5/	5/	5/	5/	5/	5/
Czechoslovakia.....	3/4	36,387	2/	19,193	21	46,541	0	38,593	5/	5/
Denmark.....	353	4,149	991	9,235	390	12,812	0	8,986	15	11,231
Eire.....	14,250	691	8,355	4,413	8,749	5,280	9,421	4,569	10,668	4,516
Finland.....	0	5,772	1	3,157	0	7,104	0	8,168	0	10,908
France.....	59,575	403,345	3,494	482,288	6,682	424,400	2,728	488,670	29,290	482,926
Germany.....	0	259,932	0	0	6/5	6/5	0	90,946	0	138,500
Greece.....	1,706	7,717	0	2,158	0	4,251	0	5,152	0	9,685
Hungary.....	839	2,126	0	2,476	0	7,765	5/	5/	5/	5/
Iceland.....	1,512	0	1,700	0	1,240	0	747	0	574	0
Italy.....	1,040	78,958	0	162,463	1,703	298,786	2,664	128,503	2,365	158,818
Netherlands.....	3,908	16,318	4,797	32,419	1,014	56,059	1,287	35,329	1,680	41,451
Norway.....	272	2,161	9	7,767	9	8,863	1	7,672	4	9,037
Poland.....	80: 3/	46,045	0	42,461	0	40,646	0	48,300	5/	5/
Portugal.....	2,188	3,377	88	14,610	815	13,730	1,279	4,486	2,014	2,501
Rumania.....	600	1,334	5/	5/	5/	5/	5/	5/	5/	5/
Spain.....	2,195: 1/	12,236	2/	7,302	44	5,575	2/	11,646	0	3,366
Sweden.....	427	16,885	5,894	39,270	1,400	31,977	446	26,276	5/	27,211
Switzerland.....	271	17,234	1,829	37,639	501	30,392	303	20,767	270	16,603
United Kingdom.....	26,072	628,893	41,185	384,945	25,105	468,595	20,702	522,263	17,443	679,098
Yugoslavia.....	1,243	8,179	5/	5/	5/	5/	5/	5/	5/	5/
Total.....	215,984	1,800,677	85,132	1,515,479	117,954	1,175,031	90,977	1,627,209	99,280	1,800,080
U.S.S.R. g/.....	-	67,550	5/	5/	5/	29,509	5/	59,621	5/	55,000

International movement of wool in postwar years has been substantially more than current production by virtue of the large stocks accumulated during the war. In 1946 a peak of nearly 3.0 billion was traded as all consuming countries rushed to fill the long unsatisfied demand. Trade has, in latter years, declined as that demand has been satisfied but has still been in excess of current production.

The 1949 calendar year was a difficult one for the trade. Prices were high at the beginning and reached a post-war peak in February which was followed shortly afterwards by a drop of 20 to 25 percent, which destroyed confidence in the future. Several countries were meeting consumers resistance and a general slow down in business. Noteworthy among these was the United States where the textile industry was undergoing an adjustment and mill consumption was off almost 40 percent. The selling season ended in June and opened again in September on about the same level, somewhat under the peak of February, and after immediate needs were filled prices again receded, perhaps due for the most part to the threat of devaluation. The devaluation of sterling and readjustments of other currencies and the subsequent sharp and continued rise in prices for the rest of the year, caused much uncertainty in the textile trade.

The effect of this year of uncertainty was a slowing down in trade for the year. Mill stocks were depleted to low levels and larger stocks of wool were left in government ownership and in the producing countries than was anticipated.

These holding, however, had been readily assimilated by the close of the 1949-50 selling season in June, as most of the wool has now moved from the major producing countries, Commodity Credit Corporation stocks in the United States have been almost completely sold and Joint Organization holdings are down to approximately 150 million pounds. Trade during the coming wool year will be limited to that part of current production not used by domestic manufacturers in the country concerned plus the remaining 150 million pounds of Joint Organization offerings.

In this connection production in the major countries, which supply approximately 90 percent of the wool entering World trade, has been estimated at about 2.3 billion pounds in the 1950-51 season, about 100 million pounds above the 1935-39 average. A greater share than in prewar years of this production will not be available for export, however, as more wool is being consumed currently in producing countries than before the war.

Exports from Australia, New Zealand, and Uruguay were larger in 1949 than in the prewar year of 1935-39, while exports from Argentina and Union of South Africa were considerably below. Some wartime accumulation were still available in Australia and New Zealand, while production is up in Uruguay. In Argentina pricing difficulties caused exports to be low in 1949 and the absence of stocks, plus decreased production in the Union of South Africa reduced the availability from that country.

United States imports were down by 320 million pounds from 1948 but were still about double, the prewar average. Italy, France and United Kingdom imported more in 1949 than in prewar while Belgium, Germany and Japan were considerably below the 1935-39 level. Imports for Germany and Japan were considerably above 1948, while the other major consuming countries with the exception of the United States and France imported only slightly more in 1949 than in 1948.

WORLD OUTPUT OF DAIRY PRODUCTS, FIRST QUARTER, 1950

The overall factory production of dairy products in the January-March quarter of 1950 continued to show gains over the corresponding period of a year earlier in practically all major producing countries. Increased output of milk attributable in most instances to improved grazing and feed conditions, made available larger quantities of milk for manufacturing purposes.

New Zealand was the only country important in dairying in which unfavorable weather in the first quarter retarded milk production. Moisture in most areas there was insufficient to promote normal pasture growth, and milk production in this period was 5 percent below that of a year ago. On the other hand, conditions in Australia in the January-March quarter were generally good for production, and milk production for the country as a whole showed an improvement over the comparable period a year ago.

In the United Kingdom where conditions favored production, the output of milk in the first quarter of 1950 was 13 percent above that of the same quarter of 1949. Mild weather in Ireland in the first 3 months of 1950 caused an early growth of grass, cows were maintained in good condition, and milk deliveries in this quarter rose 18 percent over the preceding year.

Milk production in the Netherlands in the opening quarter of 1950 was approximately 15 percent above comparable 1949, mainly as the result of larger supplies of better quality feed, and an increase in dairy cow numbers. Weather conditions in Denmark throughout the first quarter were exceptionally favorable, very little frost being experienced. Feed supplies were satisfactory, due largely to the heavy 1949 hay crop, and milk production in this period was higher than last year by 18 percent. In Western Germany, the quarter under review was the first since the close of the war in which the feed situation was comparable to peace time, according to the Ministry of Food and Agriculture. With sufficient

DAIRY PRODUCTS: Factory output in principal producing and exporting countries,
first quarter (calendar) 1950, with comparisons

Country and product	Average 1934-38	Total 1949	1949				1950 1st quarter	1950 1st quarter	First quarter 1950/1949
			1st quarter	2nd quarter	3rd quarter	4th quarter			
	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds	Percent
Butter									
Canada.....	248,119	278,657	1/30,401	1/92,600	1/103,430	1/52,226	30,806	101	
United States.....	1,673,328	1,408,730	298,285	442,565	378,600	289,280	321,010	108	
Belgium.....	46,179	57,170	8,105	18,370	18,008	12,687	12,751	157	
Denmark.....	400,660	344,358	64,815	100,088	97,003	82,452	79,587	123	
France.....	444,888	233,915	38,964	71,943	67,514	55,494	-	-	
Germany, Western.....	-	522,000	89,899	154,101	160,716	117,284	109,364	122	
Ireland.....	89,400	76,809	3,656	24,409	32,645	16,099	4,956	136	
Netherlands.....	201,000	184,878	25,806	61,026	58,903	39,143	36,023	140	
Norway.....	24,930	23,660	4,597	9,771	6,135	3,157	4,757	103	
Sweden.....	151,309	216,163	44,424	61,662	61,347	48,730	50,112	113	
Switzerland 3/.....	57,760	34,836	5,642	9,460	11,003	8,731	-	-	
United Kingdom.....	44,200	23,700	4,525	12,634	3,853	2,688	7,832	173	
Argentina.....	65,742	66,000	-	-	-	-	22,046	-	
Union of South Africa.....	27,725	46,466	14,460	11,134	9,029	11,843	-	-	
Australia.....	437,032	378,011	104,741	64,070	70,472	138,728	105,816	101	
New Zealand - total.....	366,049	393,925	118,651	39,335	72,240	163,699	107,318	90	
Export gradings.....	314,753	350,523	106,833	33,272	60,531	149,887	97,099	91	
Cheese									
Canada.....	114,699	113,787	1/2,629	1/40,273	1/49,621	1/21,264	4,791	182	
United States.....	643,234	1,189,610	250,925	391,455	319,025	228,205	249,675	99	
Denmark.....	68,820	135,805	25,353	45,415	38,581	26,456	26,896	106	
France.....	363,098	399,039	74,374	128,634	107,104	88,927	-	-	
Italy 2/.....	523,518	485,000	-	-	-	-	-	-	
Netherlands 10/.....	266,549	282,400	38,845	93,744	96,572	53,239	35,437	91	
Norway.....	39,067	46,100	8,168	17,268	12,648	8,016	12,841	157	
Sweden.....	71,269	144,434	27,200	44,436	43,378	29,420	28,461	105	
Switzerland.....	111,729	108,561	16,347	36,345	38,067	17,802	15,282	93	
United Kingdom 10/.....	109,000	73,070	16,845	30,285	16,666	9,274	28,045	166	
Argentina.....	67,873	165,000	-	-	-	-	44,092	-	
Union of South Africa.....	10,195	17,130	5,421	3,912	3,758	4,039	-	-	
Australia.....	49,111	101,023	23,401	13,198	21,819	42,605	23,753	102	
New Zealand - total.....	201,272	233,174	71,244	25,178	35,481	101,271	74,245	104	
Export gradings.....	194,175	220,286	72,473	32,856	20,422	94,535	77,419	107	

DAIRY PRODUCTS: Factory output in principal producing and exporting countries, first quarter (calendar) 1950, with comparisons

Country and product	Average 1934-38	Total 1949	1949				1950 1st quarter	First quarter 1950/1949
			1st quarter	2nd quarter	3rd quarter	4th quarter		
	pounds	pounds	pounds	pounds	pounds	pounds	pounds	Percent
Canned milk								
Canada ^{11/}	92,377	269,277	42,568	95,416	81,252	50,041	37,633	88
United States ^{11/}	2,469,535	3,873,060	752,880	1,335,115	1,118,730	666,335	819,750	109
Cuba	32,564	44,982	3,738	9,072	18,312	13,860	-	-
Denmark	40,785	-	16,695	24,824	14,980	-	-	-
France	28,953	-	8,104	22,627	-	-	-	-
Netherlands	304,896	260,894	57,235	74,527	66,243	62,884	74,187	130
Switzerland	14,198	-	-	-	-	-	-	-
United Kingdom	378,560	217,191	31,091	121,318	24,999	39,783	68,992	222
Australia	41,894	134,064	29,167	22,944	25,202	56,751	37,077	127
New Zealand	11,273	-	-	-	-	-	-	-
Dried milk ^{13/}								
Canada	23,488	74,631	10,573	27,301	23,022	13,735	10,866	103
United States	203,555	1,047,810	225,540	371,165	262,395	188,710	244,101	108
Belgium	5,500	8,061	607	4,293	2,346	815	1,394	230
Denmark	2,205	-	2,374	3,642	4,641	-	-	-
France	7,685	-	990	1,552	-	-	-	-
Netherlands	56,438	62,472	4,081	33,754	17,483	7,154	15,346	376
Sweden	1,351	33,024	5,868	10,282	10,854	6,020	3,990	68
Switzerland	2,381	-	-	-	-	-	-	-
United Kingdom	33,600	60,390	10,841	32,614	9,139	7,796	19,174	177
Australia	16,971	145,318	23,746	16,742	19,265	38,565	26,740	113
New Zealand	17,429	-	-	-	-	-	-	-

^{1/} Revised. ^{2/} Total production is estimated at 143,299,000 pounds in 1949. ^{3/} Total production. ^{4/} Less than a 5-year average.

^{5/} Estimated. ^{6/} Production year beginning July 1. ^{7/} Production year beginning April 1. ^{8/} Marketing year beginning August 1.

^{9/} Total cheese, and includes cheese made from the milk of sheep and goats. ^{10/} Includes farm cheese. ^{11/} Both bulk and case goods.

^{12/} For 1937 only. ^{13/} Total dried-whole and dried-skim milk for human consumption. ^{14/} Includes infants' foods, health beverages, etc.

^{15/} Production of dried-whole and dried-skim milk was 67,109,000 pounds in 1949. ^{16/} For 1938 only.

Office of Foreign Agricultural Relations. Prepared or estimated from official statistics, U.S. Foreign Service reports, and other information. July 17, 1950.

concentrates, an increase in milk cow numbers and in yield per cow, milk production for this quarter showed a considerable increase. Conditions in both Norway and Sweden in the first 3 months of 1950 were favorable for milk production and significant gains were reported in both countries.

In this Hemisphere, milk production in Canada showed an increase of 3 percent in the opening quarter, in spite of severe cold weather and heavy snows in many parts of the Dominion throughout January and February. In the United States, with yield per cow at record levels, and with larger numbers of milk cows, milk output for the quarter rose 4 percent over the same period a year ago.

Butter production in factories increased generally in the first quarter of 1950. In the United Kingdom, where much more milk went into manufacturing in this quarter than a year ago, substantial quantities were used for the output of factory butter, production of which was approximately 73 percent higher than comparable 1949. Larger milk deliveries in Ireland in this quarter brought about an increase in factory butter production of 36 percent.

In Belgium, first quarter output of butter in factories rose 57 percent, reflecting the greater quantity of milk available for manufacturing in this period, compared with the same period of 1949. Dutch dairies produced 40 percent more butter in the opening quarter of 1950 than in the comparable quarter a year earlier. This increase was largely due to the strong export demand and was accomplished at the expense of cheese production. A similar situation existed in Denmark. Butter output for the quarter, approximately 23 percent higher than the corresponding quarter of the previous year, was accompanied by an increase in exports of 15 percent.

Production of butter in Western Germany continued high and in the January-March quarter of 1950 ran 22 percent ahead of a year earlier. Other European countries showing important gains in butter output in this period were Sweden, 13 percent, and Norway, 3 percent.

Canada produced 30.8 million pounds of factory butter in the first quarter of 1950, compared with 30.4 million pounds in the same quarter of 1949, --an increase of a little more than one percent. This is significant in view of the heavy production of and competition from margarine. In the United States, more milk was channeled into manufactured products in this quarter, and butter production was larger by 8 percent than in comparable 1949.

Australian butter output reflected the slight gain in milk production which occurred there during the first quarter of this year. Of the important dairy producing countries only New Zealand showed a lowered butter production, conditions there being definitely less favorable than they were a year ago.

Overall cheese production in the first quarter of 1950 was somewhat larger than comparable 1949. In Norway, where conditions for production were favorable, output gained relatively more than that of any other Continental European country, production there being 57 percent over 1949. Output in Denmark in this period increased only 6 percent, most of the surplus milk which ordinarily would have been utilized for cheese being deflected to butter manufacture for which there was a strong export demand.

In the Netherlands, the quantity of cheese produced in the first 3 months of 1950 was only 91 percent of the corresponding months a year ago, more milk being utilized for butter in this quarter to meet the needs of the export market. However, it is expected that export demand for butter will decline as the season advances, and that butter will be reduced in favor of cheese. Production in Switzerland in this period also dropped below that of a year ago.

Output of cheese in the United Kingdom reflected the rise in milk production in this period. Most of the increase was diverted to the manufacturing of dairy products, with cheese accounting for the major part of the surplus. Production in this quarter rose 66 percent over the same quarter last year.

In both Australia and New Zealand, cheese production rose above the levels of a year ago. In Australia, this increase amounted to 2 percent, in New Zealand to 4 percent for total factory cheese and to 7 percent for cheese graded for export.

More milk became available for processing in Canada in the first quarter and in line with heavy commitments to the United Kingdom, cheese production was increased by 82 percent. In the United States, where production of cheddar cheese is carried on on an extensive scale, output of that type was only about 96 percent of the earlier year, while overall cheese output in this country was 99 percent of comparable 1949.

Statistics on canned milk production for the first quarter of 1950 are available at this time for only 5 of the important producing countries. Increases occurred in all of these countries with the exception of Canada, where production was held to 88 percent of the January-March 1949 quarter as the result of a decline of 5 percent in the output of evaporated milk. In the United States, the largest producer of canned milk, production rose 9 percent in the opening quarter of the present year. For evaporated milk, output of which is much heavier than that of condensed milk, the increase amounted to 12 percent.

Canned milk production in the Netherlands was 30 percent higher in the period under review than in comparable 1949. As in the case of butter, this increase reflected the strong export demand, and was accomplished at the expense of cheese production. The United Kingdom and Australia, the only other countries for which returns are available, made substantial gains in the manufacture of canned milk in the first 3 months of this year.

All reporting countries showed an increase in the production of dried milk in the opening quarter of 1950 except Sweden, where output was down to 68 percent of last year. The diversion of larger quantities of milk to manufacturing purposes in the United Kingdom accounted for the rise of 77 percent in dried milk production which occurred there in the first quarter of this year. In the Netherlands, Belgium, Australia and Canada, the quantity of dried milk produced in this period was substantially above that of a year ago. The world's largest producer of dried milk is the United States, and in the initial quarter of 1950, output there was 8 percent above the corresponding quarter of 1949. This increase occurred in the processing of non-fat dry-milk solids, production of which has set a record in each month in the past year and a half. For the first 3 months of 1950, output was 10 percent above the same 3 months of 1949.

Current Conditions Abroad

London: In the United Kingdom, grass is growing well and dairy cows are in good condition. According to the Milk Marketing Board, current milk production is about 10 percent higher than at this time a year ago.

Dublin: Bad weather in Ireland at the end of May limited pasture growth and adversely affected milk yields.

Copenhagen: Until about June 1, grazing conditions in Denmark were excellent. However, continuous dry weather has been detrimental to grain crops and grass fields.

Frankfurt: The present feed situation in Western Germany is satisfactory. Meadows and pastures are green and concentrates are plentiful. If no unfavorable weather conditions develop, the roughage and bran supply will be adequate.

Bern: Sufficient rainfall has considerably improved pastures in Switzerland. However, warmth and sunshine are needed to improve the nutritive quality of the hay.

Sydney: Most dairy herds in Australia are in **prime condition**, there is an abundance of feed, and prospects are very promising for a good output of milk in the autumn and winter months of 1950. Butter rationing, first introduced in 1943, was ended on June 17.

Wellington: Warm rains in May greatly assisted pasture growth in New Zealand. Prevailing weather has been unusually mild. These conditions would appear to have alleviated the precarious situation as to reserve feed supplies for the winter months. Butter rationing, maintained since the war to permit the greatest supply to the United Kingdom, was terminated on June 4. With the removal of restrictions on butter sales, all rationing in New Zealand came to an end.

C O M M O D I T Y D E V E L O P M E N T S

TOBACCOCANARY ISLANDS' TOBACCO PRODUCTION AND
IMPORTS DECLINE; CONSUMPTION STEADY

The Canary Islands' 1949 leaf tobacco crop was slightly below the 1948 production, according to the American Consulate in Tenerife. The consumption of tobacco products is high and the Islands must depend largely on imports to meet domestic requirements. Imports of leaf in 1949, however, were 47 percent below the 1948 level.

Tobacco production in 1949 is placed at 1,151,000 pounds from 1,263 acres, compared with 1,253,000 pounds from 1,233 acres in 1948 and 851,400 pounds from 845 acres in 1947. Of the 1,263 acres devoted to tobacco in 1949 a total of 1,028 acres were planted on irrigated land, while 235 acres were dependent upon rainfall. It is officially estimated that the average yield per acre on irrigated land was 1,043 pounds and on unirrigated land only 334 pounds.

The consumption of manufactured tobacco products in the Canary Islands during 1949 is officially estimated as follows: cigarettes, 740,000,000 pieces; cigars, 33,000,000 pieces; and smoking tobacco, 64,000 pounds. The estimated 1949 consumption was the same as for 1948. These figures appear high for a country of slightly over one-half million people, but they include substantial quantities of products sold to ships' crews and passengers and not recorded as exports.

Imports of leaf tobacco in 1949 totaled 2,239,000 pounds, compared with 4,199,000 pounds in 1948. Argentina supplied 1,004,000 pounds, or 45 percent of total leaf imports in 1949. Imports from Cuba, the second most important source of supply in 1949, totaled 435,000 pounds, or 19 percent of the total. The United States was the third most important source of leaf imports in 1949, supplying 229,000 pounds. Other sources of leaf imports in 1949 include Brazil, the Dominican Republic, Fernando Poo, Southern Rhodesia and Portuguese Colonies.

The Canary Islands' imports of manufactured tobacco products consist almost entirely of cigarettes from the United States, the United Kingdom and Cuba. Cigarette imports in 1949 are officially reported at 140,000 pounds, compared with 328,000 pounds in 1948. The United States supplied 106,000 pounds, or 76 percent of the 1949 total. Official import statistics do not include a substantial volume of cigarettes known to have been smuggled into the Islands.

BRITISH GUIANA'S TOBACCO IMPORTS
DECLINE; PRODUCTION LOW

British Guiana's 1949 imports of unmanufactured tobacco were 9 percent below the 1948 level and 26 percent below 1947 imports, the American Consulate in Georgetown reports. The domestic production of leaf is increasing, but it still amounts to only a small percentage of the country's total consumption requirements.

Imports of unmanufactured tobacco in 1949 totaled 580,818 pounds, according to statistics released by the British Guiana Customs Department. This compares with imports of 639,469 pounds in 1948 and 780,451 pounds in 1947. The 1949 unmanufactured tobacco imports consisted of 524,656 pounds of cigarette leaf and 56,162 pounds of black fat. The United States supplied 342,798 pounds, or 65 percent of the 1949 imports of cigarette leaf. Canada, the only other source of imported cigarette leaf in 1949, supplied 181,858 pounds.

British Guiana's 1949 imports of manufactured tobacco products totaled 16,948 pounds, compared with 12,635 pounds in 1948 and 12,550 pounds in 1947. The 1949 imports totaling 16,948 pounds consisted of 11,150 pounds of cigarettes, 562 pounds of cigars and 5,272 pounds of other manufactured tobacco. This compares with 1948 imports as follows: cigarettes, 4,375 pounds; cigars, 570 pounds; and other manufactured tobacco, 7,690 pounds.

The country's 1948-49 production of leaf is unofficially estimated at only 36,000 pounds. In comparison the 1947-48 crop is estimated at 30,000 pounds and the 1946-47 crop at 20,000 pounds. The 1948-49 crop consisted of about 34,000 pounds of low-quality dark air-cured tobacco known as Rupununi and 2,040 pounds of flue-cured leaf.

Domestic production of manufactured tobacco products in 1949 totaled about 274,400,000 cigarettes and 23,300 pounds of pipe tobacco. This compares with an output of about 251,200,000 cigarettes and approximately 18,000 pounds of pipe tobacco in 1948.

TROPICAL PRODUCTS

INDIA'S 1949-50 PEPPER
PRODUCTION LOWER

India's 1949-50 production of black pepper is estimated at about 40 million pounds, roughly one-fourth less than the revised estimate of 54 million pounds harvested in 1948-49 but slightly higher than the 1947-48 production of 38 million pounds, according to the American Consulate General in Madras.

The smaller 1949-50 output is attributed to: (1) heavy bearing during the 1948-49 season which left the pepper vines in a weakened condition; (2) shedding of spikes because of heavy rains on the Malabar

Coast in August and September 1949; and (3) plucking of immature berries early in the season to take advantage of high pepper prices. The Indian pepper harvest begins in November and ends in March.

Pepper is planted on about 210,000 acres in India in Malabar, Travancore, Cochin, Canara, Mysore, and Coorg. During 1949, there was an appreciable expansion in the cultivation of pepper because of the record prices received for this commodity. Estimates of the extent of the increase in pepper acreage vary considerably and range all the way up to 50,000 acres. However, it takes 3 or 4 years for newly planted vines to come into bearing, so this reported expansion will not be reflected in increased production until 1952-53.

The most significant recent development in the Indian pepper market was the imposition of an export duty on pepper. On November 18, 1949, the customs collectors at Indian ports were advised by the Government of India that an export duty of 30 percent had been imposed on all shipments of pepper. As a result of strong protests from the trade, the Government announced at the end of November that the duty would be calculated at 30 percent of the "tariff value" fixed at 37 cents a pound, only about one-third as high as the actual export value. On this basis, the export duty on pepper amounted to only about 11 cents a pound. However, on June 21, 1950, the Government of India changed the basis for the duty to the real value instead of the tariff value. The Government's move in increasing the export duty was intended to deflate the post-devaluation price boom in pepper by halting the heavy speculation in the Indian pepper trade. The present high export duty is expected to result in much steadier pepper prices than have prevailed during the last year or two.

India is the chief source of the world's supply of black pepper, accounting for more than three-fourths of total world production in 1949-50. The United States uses about one-half of all the black pepper produced in the world. In 1949, the United States imported 25.3 million pounds of black pepper valued at 20.8 million dollars. Approximately four-fifths of this amount came from India. India is the second largest consumer of black pepper, with an annual domestic consumption currently estimated at around 18 million pounds.

FRUITS, VEGETABLES AND NUTS

AUSTRALIAN 1950 RAISIN CROP ESTIMATE LOWER

The 1950 preliminary estimate of raisin production in Australia is now estimated at 56,700 short tons, compared with 44,400 tons (revised) in 1949 and 70,100 tons in 1948. The estimate is 18 percent below the 10-year (1939-48) average of 69,300 tons and 14 percent below the 5-year (1944-48) average of 66,200 tons.

AUSTRALIA: Production of raisins and currants, 1950 with comparisons

Year	Raisins			Currants
	Lexias	Sultanas	Total	
	Short tons	Short tons	Short tons	Short tons
<u>Average</u>				
1939-48.....	9,300	60,000	69,300	21,700
1944-48.....	8,300	57,900	66,200	19,200
<u>Annual</u>				
1944.....	12,000	76,400	88,400	28,400
1945.....	9,800	46,700	56,500	19,700
1946.....	7,900	57,500	65,400	15,700
1947.....	6,000	44,500	50,500	12,700
1948.....	5,800	64,300	70,100	19,300
1949 <u>1/</u> <u>2/</u>	5,800	38,600	44,400	18,800
1950 <u>1/</u>	4,300	52,400	56,700	15,200

1/ Preliminary.

2/ Revised.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service officers, results of office research or other information.

This year it is estimated there were 52,400 tons of Sultans compared with 38,600 tons in 1949 (revised), and 64,300 tons in 1948. The 1950 Lexias crop is estimated at 4,300 tons compared with 5,800 tons (revised) in 1949 and 1948.

The 1950 preliminary estimate for current production is 15,200 tons compared with 18,800 tons (revised) in 1949 and 19,300 tons in 1948. The present estimate is 30 percent below the 10-year (1939-48) average of 21,700 tons and 21 percent below the 5-year (1944-48) average of 19,200 tons.

The prospects for a much larger harvest were very good until late in January and early February when heavy rains caused considerable damage. After the January-February rains fine weather prevailed in the Murray River Valley areas of Victoria enabling growers to harvest the bulk of the remaining crop. About mid-March substantial rains again occurred, causing considerable damage to fruit on the drying racks as well as ruining fruit still on the vines. It is reported considerable bad fruit is being delivered to packing houses from the late harvest. The fruit from the pre-rain harvest is reported to be of good quality. It is reported also that the bulk of the fruit produced in the Murrumbidge Irrigation area of New South Wales has been diverted to distilleries. In western Australia harvesting was carried out under satisfactory drying conditions though the yield is well below average.

GRAINS, GRAIN PRODUCTS AND FEEDS

BRAZIL NEGOTIATES NEW AGREEMENT FOR ARGENTINE WHEAT AND FLOUR

Brazil is to receive 800,000 metric tons (29.4 million bushels) of Argentine wheat during the remainder of the current calendar year under a Brazilian-Argentine Commercial Agreement concluded in Buenos Aires on June 23.

The price to be paid for the wheat will be 26.30 Argentine pesos or 144.90 Brazilian cruzeiros per quintal (\$2.11 per bushel) f.o.b. Argentine ports. The agreement provides also that Brazil is to receive 15,000 metric tons of Argentine flour. These quantities are believed to be sufficient to meet Brazilian wheat and flour requirements until early in 1951. Argentina, in turn, agrees to purchase various Brazilian products, principally lumber and coffee.

Brazil depends to a large extent on imports for its wheat requirements. The country's total import requirements for wheat and flour during 1950 have been estimated at 1,200,000 metric tons, wheat equivalent, according to Assistant Agricultural Attache R.B. Elwood, American Embassy, Rio de Janeiro. Normally the bulk of the imports

consist of wheat from Argentina, but following 1945 the high prices asked by Argentina and the availability to Brazil of a plentiful supply of dollar exchange, accumulated during the war, led to heavy imports of United States flour. Because of the subsequent shortage of dollar exchange, imports of both wheat and flour from the United States were prohibited early in 1949.

Brazil's total imports of wheat and flour in terms of grain amounted to approximately 981,000 metric tons in 1949, and consisted of 802,671 tons of wheat and 133,733 tons of flour (grain equivalent 178,330 tons). Of those quantities 737,129 tons of wheat came from Argentina and 65,536 tons of wheat and 59,614 tons of flour from Uruguay. Despite the restrictions on imports from the United States, flour imports from this country last year amounted to 72,955 tons, most of it during January and February.

Supplies imported from Argentina and Uruguay during 1949 came in under trade agreements with those countries. In May, 1949, Brazil negotiated an agreement with Uruguay for 65,000 tons of wheat and 45,000 tons of flour and one with Argentina for 600,000 tons of wheat. The agreement with Argentina provided for a contingent supply of an additional 300,000 tons of wheat. In December 1949, the President of Brazil authorized the procurement of the latter additional quantity. As a result of these agreements and the virtual shutting off of flour imports from the United States, the Brazilian wheat and flour import pattern in 1949 was more nearly normal than in any year since 1945 both with regard to sources of supply and the proportion of imports consisting of wheat and flour. During the first 6 months of 1950, Argentina exported approximately 414,800 metric tons of wheat to Brazil.

Brazil is also a member importing country of the International Wheat Agreement, with an annual quota of 360,000 metric tons. This enables Brazil to draw upon the United States, Canada and Australia for supplies. Under the terms of the Wheat Agreement, however, there is no obligation for Brazil to buy except at minimum prices. Since wheat moving under the Agreement during 1949-50 was at or near maximum prices, Brazil's purchases under that pact have thus far been negligible.

The Government of Brazil has been encouraging increased wheat production for some time, principally by means of high fixed prices to producers. The minimum price to be paid by mills for domestic wheat of the 1949 crop, harvested toward the end of the year, was fixed at Cr. \$170 per 60 kilogram bag (\$4.12 per bushel) for wheat weighing 78 kilograms per 100 liters (60.6 lbs. per bushel) f.o.b. Southern Brazilian ports, the same as for the 1948 crop. At the same time, a price of Cr \$150 per bag (\$3.63 per bushel) at railway was fixed for wheat at embarkation points in the interior. In both instances, there are premiums and discounts for wheat of greater or less weight.

In order to assure purchase of the local crop at the relatively high fixed prices, the Government has required Central Brazilian mills to utilize Brazilian wheat in the proportion of one part to each 4 parts of imported wheat. Rio Grande do Sul mills have been using 30 percent locally-produced and 70 percent imported wheat since early in March. Rio de Janeiro trade sources state, however, that supplies of domestic wheat have not been sufficient to permit mills to comply in full with that practice.

TURKEY ANNOUNCES GRAIN SUPPORT PRICES

The Turkish Ministry of Commerce and Economy has announced the Government's support prices for grains of the 1950 crop. The price paid producers for wheat is the equivalent of \$2.14 per bushel. In addition, quality bonuses up to 19 cents per bushel are offered and early delivery bonuses up to 39 cents per bushel. To qualify for the early delivery bonus, grain must be delivered by October 31 in most areas. In a few Provinces, however, deliveries up to December 31 qualify for the bonus. A reduced delivery bonus of 19 cents per bushel is to be allowed on deliveries in all parts of the country between the expiration date of the early delivery period and March 31, 1951.

Support prices on grain are the same as those paid for the past 2 seasons. Turkish wheat prices remain above the world price with the high level explained by the present Government's expressed concern over maintenance of living standards. About 80 percent of Turkey's population depends on agriculture for a living. Recent press comments indicate that the Government intends lowering the price of bread, which would involve some type of subsidy since the present high level of producer prices is to continue.

Recent reports confirm earlier forecasts of favorable wheat out-turns this year. Though no official estimate of the 1950 harvest is yet available, earlier prospects pointed to a crop about double the poor 1949 crop.

The support price on barley, the second largest grain crop in the country, is to continue at \$1.24 per bushel for white barley and \$1.17 for gray. Oats is to continue at 78 cents per bushel and rye at \$1.63 per bushel.

FINLAND'S GRAIN OUTLOOK

Grain crop prospects in Finland were considered satisfactory at the beginning of July, but timely rainfall will be needed to overcome the dry conditions of that time, according to unofficial reports. Fall grain wintered well, but spring seeding was somewhat delayed and germination and growth were retarded by lower-than-normal temperatures and deficient rainfall. Warm weather at the beginning of July favored crop development, but the top soil was dry.

Finland's total grain production in 1949 was estimated to be about the same as the 1935-39 average. A considerable shift from rye to wheat is indicated, however, with an increase of about 75 percent over the prewar wheat production. Imports of wheat in 1949 were about 5.5 million bushels. Rye imports were negligible.

Under the terms of a trade agreement between Finland and the Soviet Union, signed June 13, 1950, the Soviet Union will supply Finland 4 million bushels of wheat during the remainder of 1950. Pending imports from non-Soviet areas amount to about 2 million bushels. Thus Finland's import requirements for 1950 and the early months of 1951 when harbors are closed, seem assured without the use of Sterling reserves. Assured supplies also facilitate the repayment of a half-million bushels of wheat borrowed from Sweden last spring. The agreement calls for imports of about 400,000 bushels of corn, for fodder, and 22,000 short tons of oil cakes from the Soviet Union during the remainder of 1950.

U. S. RICE EXPORTS CONTINUE LIGHT

United States rice exports in May totaled 221,000 bags (100 pounds milled) compared with 1,051,000 bags during the same month of the preceding year. Deliveries were the smallest during any month of the current August-July marketing year. Peak exports during the season were 2,009,000 and 1,872,000 bags in December and January, respectively. Trade began to drop in late January, when the Cuban import quota was filled, and has declined from February exports of 412,000 bags.

Cuba was the destination for more than half of the quantity exported in May with nearly all of the remainder going to the French West Indies, Venezuela, Canada, and European countries.

(See accompanying table on following page)

RICE: United States exports to specified countries,
May 1950, with comparisons 1/

(100-pound bags)

Continent and country	August-July		August-May 2/		May 2/	
	1937-38	1948-49	1940-49	1949-50	1949	1950
	to 1941-42					
	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bags</u>	<u>bags</u>	<u>bags</u>	<u>bags</u>	<u>bags</u>	<u>bags</u>
Switzerland.....	41	49	22	80	9	5
Austria.....	<u>3/</u>	222	177	47	66	0
Greece.....	64	205	175	114	5	0
Belgium and Luxembourg....	66	75	52	246	1	4
Other Europe....	257	43	40	49	1	4
Total Europe.....	428	594	466	536	82	13
Cuba.....	2,750	5,223	4,546	4,660	197	116
Canada.....	194	454	391	420	8	17
Venezuela.....	20	148	48	183	35	20
Br. West Indies:	<u>4/</u>	136	74	116	3	<u>4/</u>
Philippines.....	<u>4/</u>	1,256	819	18	563	0
China.....	<u>5/</u>	811	811	0	154	0
Indonesia.....	<u>5/</u>	886	886	1,732	0	0
Japan.....	<u>5/</u>	19	24	439	0	<u>4/</u>
Other countries:	190	407	371	446	9	55
Total.....	3,582	9,934	8,436	8,550	1,051	221

1/ Milled rice, including brown, broken, screenings and brewers rice and rough rice converted to terms of milled at 65 percent. 2/ Preliminary.

3/ Not separately classified. 4/ Less than 500 bags. 5/ If any, included in "Other countries."

Bureau of the Census.

LIVESTOCK AND ANIMAL PRODUCTS

WESTERN GERMAN MILK PRODUCTION IMPROVING

Milk production in western Germany was estimated at 6,220 million pounds during the first quarter of 1950, which is 83 percent of the comparable 1935-38 average. Production in March 1950 was 87 percent of the average 1935-38 output for March. Cow numbers have been increasing rapidly, and production, per cow, is estimated at only about 5 percent below the prewar average. Feed supplies are near prewar levels.

A larger percentage of the total production is being delivered to creameries and the utilization of milk for fluid consumption and manufactured products is increasing steadily.

WESTERN GERMANY: Deliveries and utilization of milk sold to creameries, January-March, 1949 and 1950

Period	: Milk delivered: to : creamer- ies	: Fluid milk sold by: : creamer- ies	: Butter produc- tion by: : creamer- ies	: Cheese produc- tion :	: Quark produc- tion :	: Evapo- rated whole milk	: Dried whole milk
	: Million pounds	: Million pounds	: Million pounds	: Million pounds	: Million pounds	: Million pounds	: Million pounds
1949							
January-							
March--...	2,905	720	90	45	3	3	2
1950							
January-							
March--...	4,343	1,514	109	60	20	37	6

The increase in production of Quark, a type of cottage cheese, reflects the attempt to utilize skim milk formerly bought by consumers for fluid consumption. The larger supply of milk, as well as improved facilities and consumer demand, resulted in a considerable increase in evaporated and dried whole milk during the January to March period in 1950.

Imports of dairy products also increased markedly during the first quarter of 1950. Milk, butter, and cheese imports for this period were valued at approximately \$22 million as compared with purchases of about \$9 million in the previous quarter (October to December 1949). Large butter imports more than compensated for the increased value of imports.

WESTERN GERMANY: Imports of dairy products

Commodity	: October-December 1949	: January-March 1950
	: Million pounds	: Thousand dollars
Milk.....	2.7	738
Butter.....	6.5	3,534
Cheese.....	13.5	4,525
Total.....	22.7	8,797

Imports from the Netherlands, Denmark, and Sweden, the largest suppliers, had become particularly important as trade regulations were somewhat liberalized at the first of the year. Due to larger domestic supplies during the flush season, however, trade regulations have been tightened somewhat. The Government has stopped butter imports with temporary import embargoes. Cheese imports likewise dropped off, as domestic supplies increased.

Dairymen and the Government currently are concerned with the utilization of increased summer supplies. Prices to consumers of butter and cheese have been reduced slightly and the Government is initiating a stock-piling program.

Widespread campaigns to increase consumption by improving the quality of milk and keeping consumers milk-conscious have been initiated.

WESTERN GERMANY: Producer prices for butter and cheese

Commodity	Price per pound
	<u>U. S. Cents</u>
Butter.....	52
Cheese	
Edam, 45 percent fat.....	26 - 28
30 percent fat.....	19 - 22
Gouda, 45 percent fat.....	24 - 27
30 percent fat.....	15 - 20

AUSTRALIA PLANS 7 1/2 PERCENT
WOOL LEVY FOR NEXT SEASON

Commerce Minister John McEwen of Australia announced this week a plan to impose a levy of 7½ percent on wool sold in the 1950-51 season.

The levy which is to take effect at the opening of the next selling season in August is planned to effectuate the establishment of a post Joint-Organization reserve price scheme, which was called for in the recent wool-grower referendum.

In this connection it is also reported that the Government of New Zealand has approved the proposals of the recent Commonwealth Wool Conference in London. These were to the effect that some reserve price scheme to prevent fluctuations in wool prices should be ready to succeed the Joint organization in June 1941, and that New Zealand's share of

J.O. profits plus the surplus in the growers contributory charge fund should be available as capital for the scheme.

The question also received attention at the recent congress of the National Wool Growers Association in the Union of South Africa. The congress accepted the principle of the marketing program as set forth in the London Conference. To finance the program the congress favored a capital fund of 5.5 million pounds sterling, made up of accumulated levy fund and undistributed J.O. profits, the fund to be kept active by a $2\frac{1}{2}$ percent levy in the first season and not to exceed 5 percent in any one year.

FATS AND OILS

U.K. RELAXES FLAXSEED, LINSEED OIL CONTROLS

Effective July 2, 1950, the United Kingdom discontinued the system of allocating linseed oil to consumers. The program of bulk buying on Government account of flaxseed and linseed oil will continue and is in no way affected by the relaxation of controls over consumption. Certain limitations as to trade in linseed oil, such as the regulations which prescribe the proportion of oil that may be shipped with paste paint (50 percent by weight) and the licensing of exports of linseed oil from the United Kingdom, continued in force.

Oil brokers, processors, and direct buyers of raw linseed oil will be permitted to obtain supplies from the Ministry of Food based upon their own monthly estimates of requirements and are not limited to a share of the oil supply based upon the prewar consumption of the particular company as has been the case to the present date. Within the limits of available supply the user's estimate of requirements of raw oil will be filled on a monthly basis by the Ministry of Food.

Companies requiring supplies of processed linseed oil may now place orders direct with processors or oil brokers in the ordinary course of business, and no license will be required for the purchase of refined oil. The amount which the user can obtain will be determined by the ability of the processor to supply from the stock of raw oil which has been allocated by the Ministry of Food.

The decontrol procedure is especially welcomed by the paint industry which now expects to obtain as much raw linseed oil as the broker may be able to supply, and the manufacture of oil paints using linseed oil will not be limited by the quantitative restriction imposed by using 1937-38 consumption as a basis for the allocation of supplies to the several paint manufacturing companies.

IRAN INCREASES VEGETABLE OILSEED PRODUCTION

Iran's 1950 vegetable oilseed production is expected to be about 20 percent greater than in the preceding year. The anticipated increase is in cottonseed which is Iran's chief source of vegetable oil.

Production of all oilseeds in 1949 is estimated at 102,500 short tons, consisting of cottonseed 46,300 tons, sesame 11,000, olives 15,400, castor beans 8,300, poppy seed 16,500, flaxseed 2,200, miscellaneous 2,800. All crops were larger than in 1948 when total production was 93,000 tons.

Approximately 56,000 tons of the 1949 oilseed output were processed, producing 12,000 tons of oil. Practically all of the oil is consumed within the country. The quantity exported is negligible but imports of edible oil are increasing.

Vegetable oil imports in 1949-50 (March 21, 1949 to March 20, 1950), considerably greater than in the previous year, are estimated at 925 tons. Of this, 360 tons came from the United States.

Increased imports of edible vegetable oils have resulted largely from inadequate supplies of animal fats. This situation was caused by the heavy loss of animals during excessive snow and cold weather in 1948-49. Although the Iranians prefer animal fats in their diet, their scarcity and high prices in the past year have necessitated the use of more vegetable oils.

VENEZUELAN HOG LARD IMPORT QUOTA ANNOUNCED

The Venezuelan hog lard import quota was announced officially on June 23, 1950. The quota from all sources, effective for the 12-months period following the date of its official announcement, is 4,960 short tons. This announcement was made following several months of negotiations between representatives of the United States and Venezuelan Governments (see Foreign Crops and Markets, June 5, 1950).

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NOTE: Beginning with May, 1950, figures on United States fats and oils exports and imports will be published in Foreign Agriculture Circulars. These circulars are obtainable from the Office of Foreign Agricultural Relations, U.S. Department of Agriculture, Washington 25, D. C.

COTTON AND OTHER FIBERCOTTON PRICE QUOTATIONS
ON WORLD MARKETS

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange

COTTON: Spot prices in certain foreign markets, and the
U.S. gulf-port average

Market location, kind, and quality	Date 1950	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound
Alexandria		:Kantar	:	:	:
Ashmouni, Good.....	7-13	: 99.05 lbs.	:Tallari	:	(not :quoted)
Ashmouni, F.G.F.....	"	: "	: "	:	(not :quoted)
Karnak, Good.....	"	: "	: "	:	84.25 : 48.84
Karnak, F.G.F.....	"	: "	: "	:	75.75 : 43.91
Bombay		:Candy	:	:	:
Jarila, Fine.....	"	: 784 lbs.	:Rupee	: 1/ 620.00	: 16.51
Broach Vijay, Fine.....	"	: "	: "	: 1/ 690.00	: 18.37
Karachi		:Maund	:	:	:
4F Punjab, S.G., Fine....	7-12	: 82.28 lbs.	: "	:	78.40 : 23.75
289F Sind, S.G., Fine....	"	: "	: "	:	79.12 : 29.01
289F Punjab, S.G., Fine...	"	: "	: "	:	83.80 : 30.73
Buenos Aires		:Metric ton	:	:	:
Type B.....	7-13	: 2204.6 lbs.	:Peso	:	4350.00 : 40.83
Lima		:Sp. quintal	:	:	:
Tanguis, Type 5.....	7-11	: 101.4 lbs.	: Sol	: 1/ 400.00	: 26.37
Pima, Type 1.....	"	: "	: "	:	477.00 : 32.76
Recife		:Arroba	:	:	:
Mata, Type 4.....	7-13	: 33.07 lbs.	:Cruzeiro	:	215.00 : 35.37
Sertao, Type 5.....	"	: "	: "	:	(not :available)
Sertao, Type 4.....	"	: "	: "	:	235.00 : 38.66
Sao Paulo		:	:	:	:
Sao Paulo, Type 5.....	"	: "	: "	:	252.00 : 41.46
Torreon		:Sp. quintal	:	:	:
Middling, 15/16".....	"	: 101.4 lbs.	:Peso	:	240.00 : 27.33
Houston-Galveston-New		:	:	:	:
Orleans av. Mid. 15/16"...	"	:Pound	:Cent	:	XXXXX : 36.47

Quotations of foreign markets reported by cable from U.S. Foreign Service posts abroad. U.S. quotations from designated spot markets.

1/ Nominal.

U.S. COTTON EXPORT DEMAND CONTINUES HIGH

Exports of cotton from the United States have exceeded the most optimistic expectations earlier this year. Exports in May of 558,000 bales of 500 pounds gross, or 539,000 running bales brought the cumulative total since August 1, 1949, to 4,954,000 bales or 4,763,000 running bales. This is 756,000 bales or 18 percent higher than the corresponding 10-month total of 4,198,000 in 1948-49.

Exports to European countries and their overseas territories receiving cotton under the European Recovery Program totaled approximately 3,030,000 bales during the 10 months ended May 31, 1950, compared with about 2,625,000 during the corresponding period a year ago. Exports to Japan, Korea, and Formosa, during August-May 1949-50, all under various government export programs, totaled 750,000 bales compared with 535,000 for the first 10 months of 1948-49. ECA-financed exports to China amounting to 270,000 bales in 10 months of 1948-49, were discontinued in 1949-50, but exports to China, Manchuria, and Hong Kong (mostly for China) through regular private trade arrangements have totaled 215,000 bales thus far this year. The increase in exports to India was greater than for any other country, rising from 3,000 to 364,000 for the respective periods.

Cotton exports in June apparently totaled around 600,000 running bales, according to preliminary figures published by the New York Cotton Exchange. The heavy movement in June is attributed mainly to a rush on the part of exporters to comply with the June 15 deadline for shipment of cotton paid for with ECA funds. Nearly all of the cotton scheduled for clearance before that date has been shipped. Shipments under ECA authorization in 1950-51 are to begin July 20, 1950. Exports in July will be lower than in recent months but are expected to equal or exceed the 231,000 bales (of 500 pounds) exported in July 1949. A summary of the official figures for the first 10 months of 1949-50, preliminary unofficial figures for June, and a rough estimate for July indicate that the 1949-50 total probably will exceed 5.5 million running bales and may reach 5.6 million.

Prospects of a small crop in the United States this year and continued short supply of cotton in most of the foreign producing countries (principal exceptions are Egypt, Mexico, and Turkey) may have stimulated the early purchase and movement of United States cotton in recent months. Current reports indicate that world cotton consumption is likely to remain high over the immediate future. Stocks in importing countries are generally normal or slightly higher, but available supplies from surplus-producing countries, other than the United States, will be no larger than last year because in the few countries where increased production is in prospect this year, the carry-over stocks from previous crops are lower than a year ago.

UNITED STATES: Exports of cotton by countries of destination;
averages 1934-38 and 1939-43; annual 1947-48 and 1948-49;
August-May 1948-49 and 1949-50

(Bales of 500 pounds gross)

Country	Year beginning August 1				Aug.-May	
	Averages		1947	1948	1948-49	1949-50
	1934-38	1939-43				
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Austria.....	0	1/	3	74	57	40
Belgium-						
Luxembourg.....	147	43	53	152	135	175
Czechoslovakia...	65	0	22	36	32	52
Denmark.....	35	5	3	30	26	28
Finland.....	35	11	27	35	32	3
France.....	589	154	216	676	566	668
Germany.....	579	4	232	504	443	578
Greece.....	2	2	1	12	7	35
Italy.....	430	12	70	652	530	632
Netherlands.....	86	34	35	195	162	230
Norway.....	13	6	3	17	14	6
Poland & Danzig..	224	1	50	95	80	28
Spain.....	101	117	3	70	61	53
Sweden.....	93	53	6	2/	2/	25
Switzerland.....	2	14	3	38	38	38
United Kingdom...	1,097	987	272	781	663	591
Yugoslavia.....	10	7	0	42	33	24
Other Europe.....	3/ 85	146	1	4/ 64	64	5/ 30
Total Europe ..	3,593	1,596	1,000	3,473	2,943	3,236
Canada.....	261	294	138	307	266	239
Chile.....	6/	5	2/	60	53	33
Colombia.....	17	9	1	53	43	46
Cuba.....	7	11	13	8	6	18
India.....	44	18	21	3	3	364
China.....	55	106	303	282	270	91
Japan.....	1,271	216	466	652	504	704
French Indochina:	6/	14	4	8	8	6
Korea.....	6/	N.A.	59	34	31	43
Australia.....	5	20	11	0	0	0
Other countries..	43	7	9	7/ 81	71	8/ 174
Total.....	5,296	2,296	2,025	4,961	4,198	4,954

1/ Included with Germany. 2/ Less than 500 bales. 3/ Includes 39 Portugal,
23 Soviet Union. 4/ Includes 28 Soviet Union, 14 Rumania, 6 Bulgaria, 6 Hungary.
5/ Hungary 24. 6/ If any, included in Other Countries. 7/ Includes 29 Hong
Kong, 11 Palestine. 8/ Includes 106 Hong Kong, 18 Manchuria.

Compiled from official records of the Bureau of the Census.

FRENCH COTTON CONSUMPTION
SHOWS IMPROVEMENT 1/

Cotton consumption in France has shown some improvement and in the first 9 months of the current season (August through April 1950) is about 10 percent above the corresponding period of last season. It is now estimated that cotton consumption will reach a postwar high of 1,150,000 bales (480 pounds net) over the entire 1949-50 season. This, however, is still below the prewar level of about 1,200,000 bales and the postwar plan (Monnet) of 1,280,000 bales annually.

The failure to reach the planned level was attributed largely to a shortage of raw cotton imports due to monetary difficulties. During the early part of the season stocks of raw cotton fell to a low level and the tight supply situation, especially in the medium grades, caused some curtailment in yarn output.

Imports of raw cotton rose sharply after October and stocks increased from about 10 weeks' supply on November 1, 1949, to nearly 5 months' supply by May 1, 1950. This improved supply position was due largely to the French Government's decision to devote a larger part of its ECA dollar allocations to the purchase of raw cotton. This decision was taken as a result of representations from the French cotton industry requesting that importers be allowed to buy cotton where they could obtain the most value for their money in order to compete on an equal footing with the textile industries of other countries.

The ECA has authorized \$124,000,000 for the procurement of cotton for shipment to France this season. This will purchase about 785,000 bales, of which 668,386 had been shipped through May 1950. The French Cotton Industry Association anticipates imports of 1,250,000 bales, of which about 63 percent will come from the United States. In the 1948-49 season France imported 700,000 bales from the United States or about 70 percent of its total supply.

Following the devaluation of the French franc in September 1949, the franc price of United States raw cotton rose about 27 percent. This rise was immediately reflected in an increase of approximately 15 percent in the price of cotton yarn and about 8 percent in cotton cloth. Nevertheless, consumer resistance to higher prices was so strong that retail prices of cotton clothing showed no appreciable change. Since the beginning of 1950 the price of United States cotton has continued to rise, but yarn and cloth prices have not advanced, even with the additional costs occasioned by an 8 percent wage increase in late February. This failure of cloth prices to rise in face of increased cost would indicate the supply of cotton textiles has overtaken demand and a strong buyer position has been established.

1/ Based on reports of S.M. Finger, Third Secretary of American Embassy, Paris, France.

The number of spindles in place has shown a slow but steady decline in France as old equipment wore out and replacements were insufficient. As of April 30, 1950, there were 8,106,192 spinning spindles in place as compared to 8,289,093 a year earlier. Nevertheless, since only one-third of the working spindles were operated on a two-shift basis, it is obvious that production could be expanded considerably even with the present number of spindles if demand were to justify such expansion and cotton supplies remain adequate.